



THE COMMONWEALTH OF MASSACHUSETTS
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Sent by Fax, Mail, Email

March 26, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: *Investigation by the Department of Telecommunications and Energy into The Berkshire Gas Company, Blackstone Gas Company, Boston Edison Company, Boston Gas Company, Cambridge Electric Light Company, Colonial Gas Company, Commonwealth Electric Company, Essex Gas Company, Fitchburg Electric Company, Massachusetts Electric Company/Nantucket Electric Company, NSTAR Gas Company, New England Gas Company, and Western Massachusetts Electric Company, 2002 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, (June 29, 2001), D.T.E. 03-11, 03-12, 03-13, 03-14, 03-15, 03-16, 03-17, 03-18, 03-19, 03-20, 03-21, 03-22, 03-23.*

Dear Secretary Cottrell:

On March 13, 2003, the Department of Telecommunications and Energy ("Department") opened an investigation into the 2002 Service Quality Reports filed by The Berkshire Gas Company, Blackstone Gas Company, Boston Edison Company, Boston Gas Company, Cambridge Electric Light Company, Colonial Gas Company, Commonwealth Electric Company, Essex Gas Company, Fitchburg Electric Company, Massachusetts Electric Company/Nantucket Electric Company, NSTAR Gas Company, New England Gas Company, and Western Massachusetts Electric Company (together, "Companies") pursuant to *Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies*, D.T.E. 99-84

(June 29, 2001). The Department issued an Order of Notice requesting Comments on the Companies' proposed Service Quality Reports ("SQ Reports"). The Attorney General files this letter as his Comments in response to the Companies' filings.¹

Although the Department's notice states that the Department is opening an investigation of the 2002 SQ Reports, the Department has not issued a procedural schedule or indicated any intent to conduct an evidentiary investigation into the 2002 SQ Reports. To date, the Department's investigation consists solely of soliciting comments from the parties to the proceeding and does not include any public or evidentiary hearing. At a minimum, the Department should conduct an investigation that allows for intervention and discovery to obtain underlying data, supporting documentation and an understanding of the conditions under which each company operated during the year. Only then can the Department determine whether the statistics presented by a company are collected and presented consistently with the Department's orders. The SQ Reports filed by the Companies contain only summary data, not a detailed review or analysis of compliance with performance measures. Adjudicatory proceedings would permit a more detailed review and examination of those reports.

In addition to initiating an investigatory process, the Attorney General recommends that the Department:

1. Change the annual SQ Report format to require that the Companies file the net penalty calculations and the benchmarks for the upcoming year;
2. Enhance the annual SQ reporting and review process by requiring affiliated companies to present disaggregated data² to ensure that all companies are collecting data consistent with Department orders and that reporting is consistent across all companies;
3. Require a periodic independent audit of SQ data and data collection methods;
4. Require companies to provide a qualitative and quantitative analysis of annual results;
5. Require companies to file supporting documentation for each statistic, including data excluded or modified and the justifications for exclusions or modifications; and

¹ Pursuant to the Department's February 25, 2003 order in Bay State Gas Company, D.T.E. 03-10, the Attorney General has filed separate comments on the Bay State Service Quality Report.

² NSTAR companies have presented staffing data on an aggregate basis. *See* Appendix 11 for BECo, Cambridge and Commonwealth and Appendix 7 for NSTAR Gas.

6. For those companies with insufficient historic data to establish a target for any of the Department's service quality indices that have associated penalties, assess a "deficiency/inadequacy" penalty based on an allocation of the maximum penalty for each measure for which there is not adequate data to establish benchmarks relative to the total maximum penalty, or apply an earnings sharing mechanism, or require the companies to use the statewide average standard for the years without adequate data.

The Attorney General appreciates this opportunity to comment on the Companies' 2002 SQ Reports. Please do not hesitate to contact me if I can provide further information.

Sincerely,

Judith Laster
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cc: Jody Stiefel, Hearing Officer
Service List in D.T.E. 99-84